

Minutes of the IESO Technical Panel Meeting

Meeting date: 23/3/2021
Meeting time: 09:00 a.m.
Meeting location: Video conference

Chair/Sponsor: Michael Lyle
Scribe: Mitchell Beer / Smarter Shift Inc.

Please report any suggested comments/edits by email to engagement@ieso.ca.

Invitees	Representing	Attendance Status Attended, Regrets, Teleconference
David Brown	Ontario Energy Board (Observer)	Attended
Jason Chee-Aloy	Renewable Generators	Attended
Ron Collins	Energy Related Businesses and Services	Attended
Rob Coulbeck	Importers/Exporters	Attended
Emma Coyle	Market Participant Generators	Attended
Dave Forsyth	Market Participant Consumers	Attended
Sarah Griffiths	Demand Response	Attended
Jennifer Jayapalan	Energy Storage	Attended
Robert Reinmuller	Transmitters	Attended
Joe Saunders	Distributors	Attended

Invitees	Representing	Attendance Status Attended, Regrets, Teleconference
Vlad Urukov	Market Participant Generators	Attended
David Short	IESO	Attended
Michael Lyle	Chair	Attended
Secretariat		
Agatha Pyrka	IESO	Attended
IESO Presenters		
Michael Boll		
Adam Cumming		
Samantha Tam		
Jessica Tang		

Agenda Item 1: Introduction and Administration

Agatha Pyrka, IESO, reminded participants of standard Microsoft Teams practices, including muting lines when not speaking and using the platform function to raise hands. She encouraged members to use their cameras when speaking if they were comfortable doing so.

Chair's Remarks:

The agenda was adopted on a motion by Joe Saunders.

The minutes of the last meeting were adopted on a motion by Vlad Urukov.

The Chair advised that the IESO Board had appointed new market participant consumer and residential consumer representatives to the Technical Panel, and a couple of them were online for the day's call. He also reintroduced David Short, a frequent participant at past Panel meetings, as the new IESO member representative.

Mr. Short recalled working with Panel members on the Transitional Capacity Auction and gave a brief overview of his 25 years in the sector.

Agenda Item 2: Engagement Update

Agatha Pyrka reviewed the prospective Technical Panel schedule in participants' information packages. She explained that the vote to post for stakeholder comment on the draft amendments on the Capacity Auction had been proposed on the same day as the education session on the topic because of the nature of the proposed changes. The amendments were identified by stakeholders during the engagement days session in February, and they were mainly administrative in nature, intended to clarify defined terms with no changes to the meaning or intent of the rules. Those characteristics made the current round of amendments very different from any future drafts, which will be intended to enable enhancements to the Capacity Auction.

Ms. Pyrka said the draft amendments would be addressed during the April Engagement Days, and the IESO planned to record the session and post an education document well in advance of the June Panel meeting. That process will allow time for Technical Panel members to review the amendments and submit any questions in advance, so that staff can arrive at the June meeting with answers in hand. On that basis, she asked whether there were any objections to scheduling the education session on the same day as the vote to post.

Sarah Griffiths said she was satisfied with the plan, as long as the time span between the April Engagement Days and the June meeting was sufficient for review and follow-up.

There were no further comments on the prospective schedule. On that basis, Ms. Pyrka said the May Technical Panel meeting will be cancelled, and the Secretariat will circulate the links to the April Engagement Days, then follow with the education deck when it becomes available in late April or May.

Ms. Pyrka also noted that the IESO is now posting its online engagement update monthly, rather than three times per year. She indicated that she will no longer speak to the update during Panel meetings, but welcomed members to review the document at their convenience which will continue to be posted as an optional read on the Technical Panel webpage.

Agenda Item 3: Options to Address Uninsured Liability Risk

Adam Cumming, IESO, reported that the proposed options to address uninsured liability risk received one comment from Ontario Power Generation after the draft Market Rule amendments were posted for stakeholder comment the previous month. OPG's input mirrored Vlad Urukov's comments at the previous meeting: one pointing out a typographical error, the other suggesting the IESO periodically review the insurance market to determine whether coverage is available for negligence as well as gross negligence. He said the IESO agreed with that recommendation.

Mr. Urukov thanked the IESO for its attention to his concern and asked whether the item could be standardized in some way, rather than simply being captured in an administrative memo. The Chair said the minutes would record the commitment as an action item.

Emma Coyle said she supported the recommendation, but asked if IESO would commit to changing the market rule back to negligence if insurance became available again. Michael Boll, IESO, said the IESO could consider reverting to the current rule if insurance became available again but the decision

would depend on what the market has to offer. If negligence coverage is again available at some point in the future, he said it may be possible to revert the market rules if insurance is available on a reasonable basis, subject to an assessment at that time. Ms. Coyle asked what framework would be used for assessing reasonableness. Mr. Boll said it might involve the availability of insurance at a cost comparable to what the IESO previously paid.

The Chair said the IESO would bring the issue back to the Panel in the future if the insurance were to become available. Ms. Coyle said it was important to distinguish between cost and availability, and the Chair confirmed that the current situation was a matter of availability.

There were no further comments on the topic. Recalling the need to move quickly on the proposed amendments, the Chair said the Board would likely be asked to consider the Technical Panel's recommendation at a special meeting or by email.

The proposed Market Rule amendments were adopted unanimously on a motion by Robert Reinmuller.

Agenda Item 4: Market Entry and Prudential Security Batch

Jessica Tang, IESO, introduced the first batch of proposed Market Rule amendments under the Market Renewal Program (MRP), dealing with market entry and prudential security. She said the Technical Panel would be asked to vote on whether to post the batch for further stakeholder comment, leading toward a provisional vote to recommend in April and a Board of Directors decision in June.

Ms. Tang said the batch had been relatively simple, with stakeholder feedback limited to input from OPG and the Electricity Distributors Association aimed at clarifying language. Those comments have now been posted.

There were no questions on Ms. Tang's introduction.

Samantha Tam, IESO, spoke to the incremental revisions to the version of the batch posted for stakeholder review on December 4. None of that feedback called for Market Rule revisions, so all changes since the engagement were based on changes as a result of Detailed Design Document v.2, itemized in Ms. Tam's presentation, and explained in detail on the MRP implementation web page.

Ms. Tam recapped the timeline for provisional completion of the batch. She reminded participants that the batch rule amendments will be subject to revision as new topics come up in the course of Market Renewal, and that the Technical Panel will have opportunities to consider sequential Market Rule amendments in an integrated way.

She said the IESO was asking the Panel to vote on whether to post the draft amendments for further stakeholder comment until April 6.

Dave Forsyth asked whether the provision for facility registration in Ch7, 2.2.25 deliberately limited the opportunity for a load to switch its status back and forth from dispatchable to non-dispatchable. He expressed concern that the provision as written would require a load to wait 12 months to restore its status, even if had only made a short-term change due to a catastrophic failure.

Ms. Tam explained that the draft language was a reflection of the current provisions in the design document. Ms. Tang added that provisions for non-dispatchable and dispatchable loads remained unchanged and said the IESO would report back on Mr. Forsyth's question prior to the Panel's next meeting.

Mr. Urukov said a new term, market control entity, had been explained in the detailed design document and asked why it didn't appear in Chapter 11. Ms. Tam said additional detail will be included in the upcoming batch of draft amendments on Market Power Mitigation. Mr. Urukov asked whether the new term will be reflected in the Market Rules, and Ms. Tam said it will be.

Mr. Urukov pointed to several references to applicable documentation in Chapter 7 and suggested qualifying the language to ensure the IESO's disclosure expectations are reasonable. Ms. Tam said she would take the matter back for review.

Mr. Urukov referred to uses of the term Trade-Off Function in Ch7 2.2.7.5. He asked whether the term had ever been defined, and whether it was appropriate to include it in registration data. Ms. Tam said the text was black-lined, meaning that it predated the MRP. Mr. Urukov suggested the IESO either define the term or consider removing it if the item is not actually supplied as part of the registration process. Ms. Tam said the IESO would report back on both options.

Mr. Urukov said the definition of resources appeared to be flexible, but it wasn't clear whether the term included storage resources, which are neither generation units nor load. Ms. Tam recalled that the interim storage rules came into effect earlier in the year, in parallel with the current batch of proposed amendments, and internal analysis was under way to determine how the two would interact. She said the results of that review will be incorporated in subsequent batches of draft amendments under the MRP. Jo Chung, IESO, said a future batch of amendments will incorporate a resource definition for storage.

Mr. Urukov pointed to three phrasings for the interplay between facilities and resources. He asked whether there was any possibility of a facility without an associated resource and suggested more consistent phrasing to single out the facility. Ms. Tam explained that the Market Rules use the term "facility" for any physical location where a resource is represented. Mr. Urukov said he knew of no instances where a facility is on the system without an associated resource. Mr. Chung agreed that any registered facility on the system should have a corresponding resource¹.

Mr. Urukov said the definition of time lag had been placed in a section that applied to all dispatchable resources and suggested shifting it back to the section on hydroelectric resources. Ms. Tam said the intent of the revision was to consolidate all mandatory parameters in a single section of the Market Rules, but the IESO will consider the feasibility of grouping parameters by resource type.

Mr. Urukov said the definition of a shared daily energy limit was phrased to refer to the unit level, but appeared in a section of the design document that dealt with resources. Mr. Chung said the design team would verify whether the section should refer to generation units or generation resources.

Mr. Reinmuller noted that the Ontario Energy Board has very distinct requirements for connecting load and generation customers, with specific language that does not intermingle generation facilities

¹ Correction: A facility does not have to have a corresponding resource. A facility may constitute types of equipment, such as transformers, which are not modelled by a resource, as defined in Chapter 11. However, generation units are modelled in the system as generation resources except for some embedded units that are not modelled by resources.

with load and makes no reference at all to storage. He expressed concern that the IESO's changes to the requirements for connection agreements with distributors and transmitters would force all other market participants connected with those resources to change their agreements, while creating inconsistencies between IESO and OEB mandates. He asked how the IESO intends to align its language on resources, as opposed to generation facilities, citing Ch7, 2.2.3 as an example.

Similarly, in Ch7, 2.3.1, he said distributors and connecting entities have not necessarily referred to loads in their agreements with generators. The broad question, he said, is how to ensure more seamless language between the IESO and OEB frameworks without distributors, in particular, having to go back and redraft hundreds of existing agreements. That impetus would come from customers, he added, once the revised Market Rules gave them the option of participating in new ways.

James Hunter, IESO said the IESO is conscious of the challenge of ensuring that Market Rule amendments align with existing contracts. He thanked Mr. Reinmuller for pointing out the connection adding that the IESO will keep in touch with the OEB through the series of amendment batches to identify potential alignment issues. He said the Market Rules will still address generators and generation activities in the same relevant terms, and amendments should have no impact on OEB licence requirements, but that there will be opportunities during the MRP process to address any concerns for LDCs in the event any are identified. He invited Panel members to flag any specific issues.

Mr. Chee-Aloy congratulated the IESO staff on the quality of the amendment batch and the clarity of their explanations, and said he agreed with the questions raised by Messrs. Urukov and Reinmuller. He said he was pleased that the IESO is maintaining contact with the OEB, recalling that the original market opening involved a lot of coordination among the IESO, the OEB, and other stakeholders. That process began with the Market Rules, but also included transmission codes, distribution codes, retail settlement codes, and the need for consistency across all the applicable terminology and frameworks. He said the same level of effort will be required to ensure timely completion of the Market Renewal Program.

Mr. Chee-Aloy asked whether a rule like Ch7, 2.2.3c, allowing the IESO to reject registration information that does not conform with technical capabilities, had previously existed. Ms. Tam said the amendment was a clarification and codification of current practice, not a new authority. Mr. Chee-Aloy asked why the clarification was needed. Mr. Chung said the existing Market Rules already give the IESO the authority to confirm that a facility can operate as described, so the purpose of Ch7, 2.2.3.c was simply to make that explicit within the registration process.

Mr. Chee-Aloy said his concern was with the phrase "may reject". He asked what criteria the IESO would use for rejection, how it would validate that a facility did not conform with its technical capacities, and what remedies would be available for a market participant that disagreed with the IESO's assessment. Mr. Chung said the intent was for the market participant to provide additional documentation to validate whether its technical information was reasonable. A participant that disagreed with the IESO's determination would have access to the standard dispute resolution process.

Jennifer Jayapalan noted that the IESO had clarified language and expectations for registered facilities, generator resources, and load resources, but not yet for storage. She said storage resources didn't seem to fit within the definitions provided so far. Ms. Tam said the IESO was assessing the impact of the current batch on the interim provisions for storage, and still determining how best to update the pertinent documents. Ms. Jayapalan said her concern had to do with how

storage can interact within the overall market. Ms. Tang reiterated that early batches of rules will be subject to change in the course of the MRP, adding that storage will be incorporated in future batches.

Mr. Forsyth said the definition of price-responsive load in the section on batch definitions required market participants to submit bids to the day-ahead market, when it should have indicated they were authorized to do so. Ms. Tam acknowledged the point.

Ms. Tang asked Mr. Forsyth to repeat his points from earlier in the call, which had been garbled due to poor connectivity. Mr. Forsyth said his first point had to do with facility registration in Section 2.2.25, where there was no provision for changing a facility's registration from dispatchable to price-responsive load. His second point was the lack of any provision for a facility to restore its previous status immediately in the event of a physical event like a catastrophic transformer failure, rather than waiting a year. Ms. Tang said she believed the current Market Rules addressed the concern, but the IESO will review the point.

Following up on Mr. Chee-Aloy's question, Ms. Coyle asked about new language on the IESO's authority to verify facilities. Mr. Chung said the authority already exists; the purpose of the provision was to allude to that authority with an explicit clarification. Ms. Coyle said the language for that purpose should be the same as the previous.

Mr. Hunter said the definitions of categories of information contemplated facilities submitting information in accordance with technical requirements. That expectation was previously dispersed throughout the definitions, so the new language clarifies the requirement with respect to technical capabilities, and in case of any disagreement with the IESO's determination, standard conflict resolution processes would apply. On that basis, he reiterated Mr. Chung's point that the language represented no change from existing rules.

Ms. Coyle expressed her view that the revision took away clarity, adding that she appreciated the IESO's perspective. Mr. Hunter said the IESO would consider her feedback.

Mr. Urukov said he'd had the same concern, leading to some of his earlier questions clarifying specific language in the draft amendments.

The Chair thanked members for a very valuable conversation and acknowledged the work of the IESO team in producing the batch and responding to questions.

On a motion by Mr. Chee-Aloy, the Technical Panel voted unanimously to post the batch for further stakeholder comment.

Mr. Chee-Aloy asked whether the day's discussion on the first batch of Market Rule amendments indicated a need for further meeting time to work through the full series of decisions pursuant to the MRP for future batches of rule amendments. The Chair agreed it would be worthwhile to discuss scheduling and approach. Ms. Tang said the IESO would approach the Board and the Technical Panel with thoughts on how future discussions might proceed. Key questions will include the balance between holding several meetings or a single five-hour session, for example, and how to organize education sessions on more complex batches.

Ms. Coyle asked that future Technical Panel meetings not conflict with the IESO Engagement Days. Ms. Pyrka acknowledged the overlap, and the Chair said a few other participants had expressed the same concern.

Agenda Item 5: Other Business

Panel members were reminded to send Ms. Pyrka the rationales for their votes on Agenda Item #3 by the end of the week.

The meeting adjourned at 10:20 AM.

Action Item Summary

Date	Action	Status	Comments
March 23, 2021	In relation to MR-0448-R00 market rule amendments, the IESO will periodically review the availability of error and omissions insurance for negligence.	Open	